

DOE F 1525.6
08-93

United States Government

Department of Energy

memorandum

DATE: April 1, 1997

REPLY TO
ATTN OF: DP-15: A. Millunzi; 3-8064

SUBJECT: Reimbursable Work for Non-Federal Sponsors Within Defense Programs

TO: Douglas R. Denham, Acting Director, Science and Technology Transfer Division

The newly released DOE M 481.1-1, reimbursable Work For Non-federal Sponsors Process Manual, contains preferred and optional articles addressing product liability indemnity. Most of those optional clauses provide for an exception for negligent acts or omissions of the contractor and hence do not provide full indemnification of DOE and the DOE contractor performing services or providing materials under a Work-For-Others agreement. The use of an article that does not provide full indemnification opens the door to possible product liability exposure which could place future appropriations at risk, and therefore adversely affect DOE programs.

It is established that most, if not all, DOE laboratory contractors, in accordance with their M&O contracts, obtain full indemnity when licensing laboratory intellectual property. This action is prudent on their part and this office sees no reason why Defense Programs, in its private sector work-for-others efforts, should not follow suit in minimizing risk to DOE appropriations.

Therefore, please be advised that it is the policy of Defense Programs in connection with its services and materials furnished under its non-federal sponsors work-for-others program that the contractors use a clause that provides for full indemnification by sponsors including for-profit and non-profit organizations, foreign entities and to the extent permitted by law, state and political subdivisions.



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